

Message Text

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E.O. 11652: N/A

TAGS: APUB, TU

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO TURKEY

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF 1,530,000 TO SIDAS SIVAS IPLIK VE DOKUMA
SANAYII A.S. (SIDAS) OF SIVAS, TURKEY. RELEASE IS SCHEDULED
FOR ANNOUNCEMENT HERE IN WASHINGTON, DC FOR AM PAPERS, FRIDAY,
FEBRUARY 14, 1975.

QUOTE: EXIMBANK CREDIT OF \$1,530,000 SUPPORTS \$5.1 MILLION
SALE OF U.S. TEXTILE EQUIPMENT TO TURKEY

TO HELP FINANCE A \$5.1 MILLION SALE OF U.S. GOODS AND SERVICES
REQUIRED FOR A NEW COTTON SPINNING PLANT IN TURKEY, THE BOARD OF
DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS
AUTHORIZED A DIRECT CREDIT OF \$1,530,000 TO FINANCE 30 PERCENT
OF THE TOTAL U.S. COSTS ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J.
CASEY. A CREDIT OF \$3,060,000 FROM PRIVATE SOURCES NOT YET
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DESIGNATED WILL FINANCE 60 PERCENT OF THE U.S. COSTS OF WHICH

\$2,040,000 OR 40 PERCENT OF THE U.S. COSTS WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE OBLIGOR, SIDAS SIVAS IPLIK VE DOKUMA SANAYII A.S. (SIDAS) OF SIVAS TURKEY, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF 10 PERCENT OR \$510,000. SIDAS WAS FOUNDED IN 1972 AS A JOINT STOCK COMPANY.

THE PROJECT IS FOR THE CONSTRUCTION OF A NEW 25,000 SPINDLE COTTON MILL DESIGNED FOR AN OUTPUT OF 4,455 TONS ANNUALLY OF NUMBER 20 UNBLEACHED COTTON YARN, PRIMARILY FOR EXPORT TO THE COMMON MARKET COUNTRIES. TOTAL COST OF THE PROJECT IS ESTIMATED AT SOME \$12 MILLION. SACO LOWELL OF GREENVILLE, SOUTH CAROLINA, AND LEESONA CORPORATION OF WARWICK, RHODE ISLAND, WILL BE THE PRIME SUPPLIERS OF THE EQUIPMENT.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING JUNE 5, 1976. EXIMBANK'S DIRECT CREDIT OF \$1,530,000 WILL BE REPAID OUT OF THE LAST 5 INSTALLMENTS WITH INTEREST AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10 PERCENT TO 10.25 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S CREDIT AND THE CREDIT FROM PRIVATE SOURCES WILL BE GUARANTEED BY ETIBANK OF TURKEY. UNQUOTE. KISSINGER

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